

DWS Concept Platow – September 2023 Report

If the stock market shows the typical seasonality during the course of a year, then it's safe to say that August is a bad month for stocks, and September is the worst month. From this angle, 2023 has definitely exhibited the typical stock market seasonality. German stock indexes closed August with negative returns and slid even deeper into the red in September. All four of Germany's major equity indexes – the DAX, MDAX, TecDAX and SDAX – lost more percentage-wise in September than in the weak previous month.

Top Ten Holdings
Munich Re
Talanx
Bechtle
Mercedes-Benz
Takkt
BMW
Gerresheimer
Einhell
Stabilus
Kontron
29.9.2023, sorted according to weighting

The DWS Concept Platow fund ended the month just behind the SDAX and DAX in terms of performance, but ahead of the MDAX and TecDAX. Hardly any of the stocks in its portfolio performed well last month, and not a single position showed a double-digit percentage gain. Commerzbank, Daimler Truck, BayWa and Villeroy & Boch deli-

vered the best returns. Munich Re, the fund's largest position, also had a positive return and closed the month near its 22-year high. Talanx, on the other hand, the fund's second-largest position, briefly set a record high in September but failed to hold its gains.

In the end, only about every fourth position in the fund portfolio managed to deliver a positive monthly return, and about every fifth position showed a double-digit percentage loss. Datagroup, Hornbach Holding, and Mensch und Maschine led the list of decliners. Ger-

resheimer, a top ten position (see table), detracted the most from portfolio performance.

Hornbach's weakness can be blamed in part on revised expectations for its DIY-store business – which was the only management guidance announcement during the past month. When there aren't a lot of earnings announcements (which was the case in September), there usually aren't a lot of guidance revisions. Developments at Krones were somewhat of a fluke: The specialist for filling and packaging equipment violated a corporate governance rule that precluded its membership in the DAX family, which is why its shares were tossed out of the MDAX in the middle of the month (and will probably not be re-admitted until sometime in October at the earliest).

Apart from that, there was little published news flow in the form of fresh figures (as at 2G Energy, Envitec and Verbio). There was a little more activity in the directors' dealings: Insider buying was disclosed at Datagroup, Hornbach, Mensch und Maschine, MLP and Villeroy & Boch; both insider buying and selling was disclosed at All for One and DHL Group. As was often the case in September, we created our "own news flow" via our contact with numerous executives at four investor conferences (in Frankfurt and Munich) and through other discussions with company representatives.

The dependable seasonality patterns of stocks that led to negative returns in August and September could now help them march to higher ground. Performance in the fourth quarter is very often strong and has often culminated in a year-end rally, so investors would probably not mind if German stocks continued to exhibit their typical seasonality from October onwards.

Sincerely yours, Christoph Frank and Roger Peeters

Investment objective and strategy

The DWS Concept Platow is a mutual fund focusing on German equity. It was launched by DWS Investment GmbH. pfp Advisory GmbH is the portfolio advisor, which is managed by the managing partners Christoph Frank and Roger Peeters. An in-depth analysis of the entire German stock market is the basis for all investment processes. Important elements include a tried and tested stock-picking process developed by Christoph Frank, careful balance sheet analysis and hundreds of conversations with executives and other company insiders every year. The opportunities and risks presented by individual companies' equity are crucial, while macroeconomic considerations and inclusion in a stock index are mostly immaterial. That is why the DWS Concept Platow Fund's portfolio usually differs substantially from the composition of major stock indices.

pfp Advisory in portrait

pfp Advisory is an investment fund advisory firm located near the Frankfurt Stock Exchange that specializes in the analysis of equity and other securities. The customers are investment funds and professional investors. At the heart of the investment strategy is a systematic and extensive stock analysis that is focused on identifying the opportunities and risks of individual securities („stock picking“). pfp uses a combination of key ratio analysis, knowledge of listed firms and stringent long-term investment principles. The pfp's directors Christoph Frank and Roger Peeters each possess over 25 years of market experience and they have used their expertise to advise the DWS Concept Platow.

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